

## Message Text

UNCLASSIFIED

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ACTION EA-12

INFO OCT-01 EB-08 ISO-00 /021 W  
-----117469 240949Z /10

O R 240828Z MAR 78  
FM AMEMBASSY SEOUL  
TO USDOC WASHDC IMMEDIATE  
INFO SECSTATE WASHDC 0045

UNCLAS SECTION 1 OF 2 SEOUL 2390

E.O. 11652: N/A  
TAGS: BEXP, BENC, KS  
SUBJECT: MAJOR PROJECT - EXPANSION OF KUMHO GROUP'S STEEL PLANT  
IN PUSAN

### 1. PROJECT DESCRIPTION:

KUMHO GROUP IS PLANNING TO EXPAND ITS EXISTING STEEL PRODUCTS  
MANUFACTURING PLANT IN PUSAN AND PLANS TO PURCHASE AN OVERHEAD  
CRANE FOR MELTING SHOP, ONE 70 TON ELECTRIC ARC FURNACE INCLUDING  
ALL AVAILABLE ACCESSORIES AND ONE CONTINUOUS BILLET CASTING  
MACHINE WITH ACCESSORIES AND SPARE PARTS.

### 2. IMPLEMENTING OFFICE:

MR. LEE, KYUNG-WOOK, DEPUTY MANAGER  
TRADE DEPARTMENT,  
KUMHO AND CO., INC.  
SAMSUNG BUILDING,  
#50, 1-KA, ULCHI-RO, CHUNG-KU, SEOUL, KOREA  
CABLE: KUMHOINC, SEOUL  
TELEX: KUMHO K27321, K26204, K24497  
TELEPHONE: SEOUL 776-5273

### 3. COST AND FINANCING:

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IT IS EXPECTED TO COST ABOUT DOLLARS SIX (6) MILLION, BUT  
FIRM HAS NO REAL IDEA OF COST. FINANCING WILL BE BY KUMHO  
GROUP ITSELF AND PAYMENT WILL BE MADE BY AN IRREVOCABLE L/C  
AT SIGHT.

### 4. EXPECTED BID DATES:

THE MODERNIZATION AND EXPANSION TO INCREASE FACILITY CAPACITY  
WILL COMMENCE IN MAY 1978 WITH COMPLETION EXPECTED BY THE END  
OF 1979. KUMHO GROUP WOULD LIKE TO RECEIVE QUOTATIONS ONLY  
FOR EQUIPMENT LISTED IN PARA. 5 (POTENTIAL U.S. SALES) ASAP.

5. POTENTIAL U.S. SALES:

FOLLOWING ARE THE SPECIFICATIONS OF ITEMS TO BE PURCHASED:

OVER HEAD CRANES FOR MELTING SHOP

1. BASIC DATA

MELTING FURNACE: ELECTRIC ARC FURNACE  
CAPACITY: NOMINAL CAPACITY: 70 T/CH  
MAX. MELT: 90 T/CH  
DUTY CYCLE: 90 MINUTES

2. SPECIFICATIONS FOR CRANES

1) LADLE CRANE (1 SET)

CAPACITY: 150 T/40 T  
SPAN: 25 M

2) CHARGING CRANE (1 SET)  
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CAPACITY: 80 T/30 T  
SPAN: 25 M

3) RAILS FOR CRANES

FOR 150 T/40 T CRANE: 400 M  
FOR 80 T/30 T CRANE: 400 M

3. SCOPE OF QUOTATIONS

- 1) COMPLETE SET WITH TROLLEY WIRE
- 2) PRICE BREAK-DOWN IS NECESSARY

4. TERMS AND CONDITIONS

OFFER BASE: FOB OR C & F BUSAN, KOREA.  
PAYMENT: BY AN IRREVOCABLE L/C AT SIGHT.  
SHIPMENT: WITHIN 8 MONTHS AFTER RECEIPT OF L/C.

70 TON ELECTRIC ARC FURNACE

1. BASIC

NOMINAL CAPACITY: 70 T/CH  
SHELL DIAMETER: 6,000 M/M  
(ENLARGED ABOUT 200MM)  
TRANSFORMER: 22KV/ 42,000 KVA  
20 PERCENT OVER LOAN POSSIBLE FOR TWO HOURS  
MAXIMUM MELT: 90 TON/HEAT  
MATERIAL TO BE CHARGED: 100 PERCENT SCRAPS  
AVERAGE HEATS PER DAY  
WITH BURNERS: 15 HEATS/DAY  
STEEL GRADE TO BE  
CAST: CARBON STEEL AND LOW ALLOY STEEL  
POWER SOURCES: 60HZ, 22KV OR 220 V, 3 0  
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2. SCOPE OF QUOTATION

- 1) FURNACE PROPER (INCLUDING SECONDARY CONDUCTOR)  
SHELL DIA 6M 1 SET  
2) FURNACE TRANSFORMER 22KV/ 42,000 KVA  
INDOOR USE, OLTC 1 SET  
3) OTHER ELECTRICAL EQUIPMENTS 1 SET  
4) REFRACTORIES 1 SET  
5) SPARE PARTS (TO BE ADDED LATER) 1 SET  
6) SUPERVISOR FEE. (180M - DAY)

3. SPARE PARTS

- 1) ELECTRODE HOLDER 1 SET  
2) INSULATING MATERIAL 200 PERCENT  
3) ELECTRODE LIFTING CONTROL REDUCER  
WITH MOTOR 1 SET  
4) SOLENOID VALVE 200 PERCENT  
5) WATER COOLED FLEXIBLE CABLE 1 SET (FOR 1 PHASE)  
6) PACKINGS 200 PERCENT  
7) CONDUCTOR 1 SET (FOR 3 PHASES)  
8) RUBBER HOSE 100 PERCENT  
9) MAIN CIRCUIT BREAKER VALVE 1 SET (FOR 3 PHASES)  
WITH CONTACT  
10) BRAKE LINES WITH HOLDER FOR 30 PHASES  
11) ARMATURE FOR 30 PHASES  
12) CARBON BRUSH 300 PERCENT  
13) SCR ELEMENT IF INVOLVED FOR 3 PHASES  
14) SCR BASE PLATE INVOLVED 3 PCS EACH  
15) LAMPS 200 PERCENT  
16) ROLLER BEARING FOR GUIDE IF  
INVOLVED FOR 2 PHASES  
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- 17) NEEDLE BEARING FOR ROOL LIFTING 50 PERCENT
- 18) SWING REDUCER IF INVOLVED 1 SET
- 19) SWING CYLINDER IF INVOLVED 100 PERCENT
- 20) ROOF RAISING CYLINDER IF INVOLVED 100 PERCENT
- 21) FURNACE TILTING CYLINDER IF INVOLVED 100 PERCENT
- 22) HYDRAULIC OIL PUMP 1 SET
- 23) HYDRAULIC HOSE 200 PERCENT

#### 4. OPTIONAL ITEMS TO BE QUOTATED

- 1) LADLE CAR 1 SET
- 2) CARBON JETTER 1 SET
- 3) ARGON - BOBBLING DEVICE 1 SET
- 4) SPARY GUN FOR MORTAR 1 SET
- 5) FLUXING MATERIAL INJECTOR 1 SET

#### BASIC SPECIFICATION FOR CONTINUOUS BILLET CASTING M/C

##### 1. PRECONDITIONS

- 1) MELTING FURNACE  
TYPE: ELECTRIC ARC FURNACE  
CAPACITY: SHELL DIAMETER - 6.0 M  
TRANSFFORMER - 42,000 KVA  
NOMINAL CAPACITY - 70 T/CH  
MAX. MELT: 90 TON/HEAT  
HEAT CYCLE: APPROX. 90 MINUTES

- 2) STEEL GRADE TO BE CAST  
CARBON STEEL FOR STRUCTURAL USE  
LOW ALLOY STEEL FOR STRUCTURAL USE

##### 2. MACHINE SPECIFICATION

- 1) TYPE AND NUMBER OF MACHINE: S-TYPE (CURVED MOLD  
TYPE) 1 SET
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- 2) NUMBER OF STRAND: 6 STRANDS
- 3) BILLET SIZE TO BE CASTED: 110 - 160 MM SQ.
- 4) CASTING RADIUS: 6M OR 7M
- 5) CUTTING EQUIPMENT: DIAGONAL CUT TYPT SHEAR
- 6) CUTTING LENGTH: 2.6M - 7.5M

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-----117785 241006Z /11

O R 240828Z MAR 78  
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TO USDOC WASHDC IMMEDIATE  
INFO SECSTATE WASHDC 0046

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### 3. QUOTATION SCOPES

#### 1) FOLLOWING ITEMS AND PARTS SHOULD BE EXCLUDED IN PROPOSALS

A. LADLES AND SLAG BOXES  
B. SLIDING OR ROTARY NOZZLE  
C. LADLE STAND  
D. TUNDISH AND COVER  
E. LAUNDER  
F. EXHAUST BLOWER AND DUCT  
G. ANY STRUCTURE FOR MACHINE SUPPORT  
H. COOLING BED  
I. BILLET STOPPER (STRUCTURE ONLY)  
J. WIRINGS AND PIPINGS EXCLUDED HIGH PRESSURE OF SPECIAL USAGE.  
K. FOUNDATION BOLTS  
L. MOTORS FOR TUNDISH PREHEATING, EXHAUST FLOWER AND  
DRAINAGE PUMPS.

#### 2) OPTIONS: SCALE PIT PUMPS

#### 3) SPARE PARTS

A. MOLD ASSEMBLY FOR 160MM SQ. 6 SETS  
MOLD ASSEMBLY FOR 115MM SQ. 6 SETS  
B. ROLLER APRON 6 SETS  
C. DUMMY BAR HEAD 2 PCS  
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D. SHEAR BLADES 6 SETS

E. MOLD TUBE FOR 160MM SQ. 72 PCS  
MOLD TUBE FOR 115MM SQ. 72 PCS  
F. SPRAY NOZZLES 200 PERCENT  
G. FLOW METER FOR MOLD & SPRAY WATER 6 PCS  
H. SOLENOID VALVES 100 PERCENT  
I. LIMIT SWITCHES 100 PERCENT  
J. AIR CYLINDER 50 PERCENT  
K. RETAINER AND O RINGS FOR HYDRAULIC 50 PERCENT  
CYLINDERS  
L. LUMP AND FUSE 100 PERCENT  
M. CHAIN 100 PERCENT  
N. MOTOR - ONE EACH DIFFERENT SPEC.  
O. BEARINGS FOR MAIN MACHINE 50 PERCENT  
P. BEARINGS FOR ROLLER TABLE 30 PCS

4) TERMS AND CONDITIONS

SHIPMENT: WITHIN 10 MONTHS AFTER RECEIPT OF L/C

PAYMENT: BY AN IRREVOCABLE L/C AT SIGHT

OFFER: FOB OR C & F BUSAN, KOREA.

6. POST COMMENTS:

KUMHO WOULD LIKE TO RECEIVE QUOTATIONS FROM FOLLOWING U.S.  
FIRMS BUT WOULD CERTAINLY WELCOME ANY OTHER APPROPRIATE U.S.  
RESPONSES IF COMMERCE WISHES TO RECOMMEND THEM.

A. OVERHEAD CRANES

1. ALLIANCE MACHINE COMPANY,  
ALLIANCE, OHIO, US
2. MORGAN ENGINEERING,  
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ALLIANCE, OHIO, 44621

B. ELECTRIC ARC FURNACE

1. LECTROMELT CORP.,

SUBSIDIARY OF PENNSYLVANIA ENGINEERING CORP.  
32 ST. AND A.V. RR/PITTSBURG, PA 15201  
TELEPHONE: (412) 288-6800

2. PULLMAN SWINDELL  
DIVISION OF PULLMAN INC.  
441 SMITHFIELD ST. PITTSBURG,  
PENNSYLVANIA 15222  
TELEPHONE: (412) 662-7000

3. ALLIS-CHALMERS,

METALS PROCESSING EQUIPMENT  
P.O. BOX 512  
MILWAUKEE, WISCONSIN 53201  
TELEPHONE: (414) 475-4522

C. CONTINUOUS CASTING MACHINE

1. PULLMAN SWINDELL
2. ALLIS-CHALMERS
3. CONCAST INC., 12 MERCEDES DRIVE,  
MONTVALE, N.J. 07645  
TELEPHONE: (201) 573-0700
4. MESTA MACHINE COMPANY  
P.O. BOX 1466,  
PITTSBURG, PA. 15230

FIRM REALIZES THAT QUOTATIONS MAY TAKE ABOUT ONE MONTH OR MORE. THEREFORE, IN THE INTERESTS OF SPEED, IT REQUESTS THAT LISTED FIRMS (AND ANY OTHERS) CABLE OR TELEX THE IMPLEMENTING OFFICE BY APRIL 1, 1978 INDICATING WHETHER THEY INTEND TO SUBMIT  
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QUOTATIONS. WHEN KUMHO RECEIVES AFFIRMATIVE RESPONSES, WILL IMMEDIATELY SEND TWO OF ITS TOP ENGINEERS TO VISIT U.S. FIRMS TO HELP IN PREPARATION OF QUOTATIONS INCLUDING DETAILED DESCRIPTIONS. FOLLOWING ARE THE NAMES AND TITLES:

1. MR. JOO, HE CHUN, EXECUTIVE DIRECTOR AND  
PLANT MANAGER,  
KUMHO INDUSTRIES, INC.
2. MR. HONG, TAE SUN, MANAGER, OFFICE OF PLANNING,  
KUMHO INDUSTRIES, INC.

IMPLEMENTING OFFICER LEE INDICATED THAT KUMHO GROUP, ESPECIALLY PRESIDENT OF CO., PREFERS TO PROCURE THIS EQUIPMENT FROM U.S. SOURCES AND THERE IS NO COMPETITION FROM OTHER COUNTRIES. FIRM WILL SOLICIT NON-U.S. SUPPLIERS IF U.S. FIRMS SHOW NO INTEREST BY APRIL 1. SPECIAL HANDLING IS REQUESTED.  
SNEIDER

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**TAGS:** BEXP, BENC, KS  
**To:** COM  
**Type:** TE  
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Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014